



CITY OF HAYWARD

AGENDA REPORT

AGENDA DATE 04/08/03

AGENDA ITEM 5

WORK SESSION ITEM

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Water System Intertie Project: Approval of Mitigated Negative Declaration; Authorization for the City Manager to Execute Agreements; and Appropriation of Funds

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolutions which:

1. Approve the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MND/MMRP) for the Project;
2. Authorize the City Manager to execute Joint Exercise of Powers Agreements (JPA) for design and construction services, and operation and maintenance of the project; and
3. Authorize the City Manager to execute an agreement with Carollo Engineers for professional design services in an amount not to exceed \$1,100,000 to prepare plans, specification and construction cost estimates for the project, and appropriate necessary funds.

BACKGROUND:

In September 2002, a feasibility study of a regional water system Intertie between Hayward, Alameda County Water District (ACWD), East Bay Municipal Utility District (EBMUD), and San Francisco Public Utilities Commission (SFPUC) was initiated. The study evaluated the viability of conveying treated water between the EBMUD and SFPUC systems using existing and proposed facilities in the City of Hayward in the event that a serious disruption in water supply capacity occurs. The study determined that the project was feasible and recommended construction of an intertie pump station in the City of Hayward and approximately 1.5 miles of pipeline to connect the two water systems. On October 25, 2002, the City approved a Memorandum of Agreement (MOA) with ACWD, EBMUD, and SFPUC to develop CEQA environmental documentation on the proposed intertie system. ACWD, while participating in the Environmental Review, has determined that it receives no special benefit from the construction of the intertie and is, therefore, not participating further.

DISCUSSION:

The proposed intertie project facilities would be located primarily in Hayward. The proposed pump station ("Skywest" Pump Station) would be constructed on Hayward Executive Airport property on an unoccupied parcel off of Skywest Drive, adjacent to the existing La Quinta Inn and Home Depot. The proposed pipeline, connecting the Skywest Pump Station and the EBMUD and SFPUC systems, would be located along Golf Course Road, Skywest Drive and Hesperian Boulevard. Because most of the facilities needed for the project would be located in Hayward, the City was the lead Agency on the environmental review process. The City will also be managing the design and construction process.

Environmental Science Associates, Inc., (ESA) prepared the Initial Study/Mitigated Negative Declaration (IS/MND) and Mitigation Monitoring and Reporting Program (MMRP) for the intertie project (attached as Exhibit B). ESA evaluated the potential impacts associated with construction and operation of the intertie system. Based on the evaluation, all potentially significant impacts can be mitigated to "less than significant." The document was circulated for public comment from February 26, through March 27, 2003. During the public review period, the City received three letters containing minor comments on the Draft IS/MND. The City prepared a Response to Comments memorandum responding to each of the comments received on the project. The Response to Comments Document, in combination with the Draft Initial Study/Mitigated Negative Declaration, completes the Final IS/MND. Staff recommends that the Council adopt the IS/MND document and the MMRP (Chapter 3 of the IS/MND), as well as approve the project.

Joint Exercise of Powers Agreement for Design and Construction Services:

In order to define the roles and responsibilities of the three agencies and to provide for reimbursement of costs to the City for the design and construction of the intertie project, staff recommends that the City Manager be authorized to execute a Joint Powers Agreement (JPA) with EBMUD and SFPUC. The JPA details the project components to be designed and constructed, cost sharing and payment provisions, and insurance and liability requirements.

Under the terms of the agreement, EBMUD and SFPUC will each pay one-half of the design and construction cost of the project, currently estimated at just over \$16 million. The City will oversee both design and construction of the project and contribute staff resources for the management and administration of the design and construction contract. The services contributed by the City are estimated to cost \$125,000.

A copy of the Design and Construction Agreement is available for review in the Office of the City Clerk.

Joint Exercise of Powers Agreement for Operations and Maintenance:

Under the terms of the proposed agreement, the City will have the sole authority and responsibility for operations and maintenance of the facility. This is primarily because such operation could impact water service in the City and, therefore, it is imperative that City staff

has total control over the manner in which the intertie is used. Any and all cost related to the routine operation and maintenance of the intertie would be borne jointly by EBMUD and SFPUC. The Operations and Maintenance Agreement provides that, aside from routine operations and maintenance, the agency that utilizes the intertie to receive water would bear the cost of water and any operations and maintenance cost during the course of the transfer.

A copy of the Operations and Maintenance Agreement is available for review in the Office of the City Clerk.

Consultant Selection:

Assuming that the Council adopts the IS/MND and MMRP and approves the JPA, the next phase of the project is design of the facilities. Upon review of the qualifications from ten consultants, five firms were requested to submit proposals for the design of the project. Three consultants' submitted proposals. A selection board, consisting of City, EBMUD and SFPUC staff selected Carollo Engineers as the most qualified firm. The selection was based on a review of (1) the relevant experience of each firm, (2) the experience and qualifications of the project manager and design team of each firm, (3) the method of work proposed by each firm and (4) the resources, project controls, and quality assurance of each firm.

Carollo Engineers' fees and hours were competitive with other consultants. Based on an analysis of the number of hours and scope of services proposed by the other consultants, the Technical Team has concluded that the final negotiated not-to-exceed cost of \$1,100,000 is reasonable for the scope of services required. The attached resolution authorizes the City Manager to execute a time and materials agreement with the firm of Carollo Engineers for a maximum not-to-exceed amount of \$1,100,000 for the professional design services, contingent upon approval of the JPA and the IS/MND and MMRP by the governing bodies of EBMUD and SFPUC, and appropriation by these agencies of the funding for design services.

Project Cost:

Project Management and Administration (funded by City)	\$ 125,000
Professional Design Services	1,100,000
Construction Cost	14,775,000
Inspection Provided by City	150,000
Outside Consultant Inspection Services	350,000
Total:	<u>\$ 16,500,000</u>

Funding:

The estimated cost of \$16.5 million dollars for the intertie project will be fully funded by SFPUC and EBMUD, except for the City's \$125,000 contribution of project management and other administrative support to manage the work. An initial appropriation of \$1,100,000 for the Regional Water Intertie Facilities Project in this newly created Regional Water Intertie

Fund is needed this year for design work. SFPUC and EBMUD have agreed to deposit advance funds to cover all but the City's contribution of the costs.

Additionally, an appropriation of \$25,000 is needed from the 2002-03 Capital Improvement Program (CIP) for a new project called Regional Water Intertie Project Administration to cover City costs for the remainder of this fiscal year.

Schedule:

The following tentative project schedule has been developed for this project:

Begin Design and Survey	April 15, 2003
Design Completion	November 2003
Award Construction Contract	January 2004
Begin Construction	February 2004
Construction Completion	June 2005

Actions by SFPUC and EBMUD:

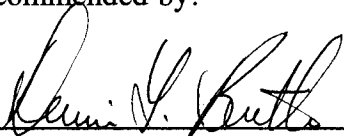
SFPUC and EBMUD will each have to approve the IS/MND and MMRP, approve the project, approve the JPA agreements, and appropriate funds for the design and construction of the Intertie. Both agencies have scheduled these actions for early April.

Prepared by:



Alex Ameri, Deputy Director of Public Works

Recommended by:



Dennis L. Butler, Director of Public Works

Approved by:



Jesús Armas, City Manager

Attachments: Exhibit A - Project Location Map
Exhibit B - Initial Study and Mitigated Negative Declaration and Mitigation
Monitoring and Reporting Program

**DUE TO THE LENGTH OR COLOR
OF THE REFERENCED EXHIBIT,
IT HAS BEEN ATTACHED AS A
SEPARATE LINK.**

DRAFT 

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION APPROVING THE MITIGATED NEGATIVE
DECLARATION AND MITIGATION MONITORING AND
REPORTING PROGRAM FOR THE REGIONAL WATER
SYSTEM INTERTIE PROJECT, PROJECT NOS. 7090 AND
7091

WHEREAS, the Initial Study, Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Regional Water System Intertie Project, Project Nos. 7090 and 7091 has been prepared and processed in conformance with City and California Environmental Quality Act (CEQA) guidelines and reflects the independent judgment of the City Council of the City of Hayward.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Water System Intertie Project, Project Nos. 7090 and 7091 is hereby approved.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2003

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____

City Clerk of the City of Hayward

APPROVED AS TO FORM:

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE A JOINT EXERCISE OF POWERS
AGREEMENT WITH EAST BAY MUNICIPAL
UTILITIES DISTRICT (EBMUD) AND SAN FRANCISCO
PUBLIC UTILITIES COMMISSION (SFPUC) FOR
DESIGN AND CONSTRUCTION SERVICES FOR THE
SFPUC-COH-EBMUD REGIONAL WATER SYSTEM
INTERTIE PROJECT, PROJECT NOS. 7090, 7091

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized to execute on behalf of the City of Hayward a joint powers agreement with EBMUD and SFPUC for design and construction services for the SFPUC-COH-EBMUD Regional Water System Intertie Project, Project Nos. 7090 and 7091 in substantially the form of the agreement on file in the office of the City Clerk, as approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2003

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE A JOINT EXERCISE OF POWERS
AGREEMENT WITH EAST BAY MUNICIPAL
UTILITIES DISTRICT (EBMUD) AND SAN FRANCISCO
PUBLIC UTILITIES COMMISSION (SFPUC) FOR
OPERATIONS AND MAINTENANCE SERVICES FOR
THE SFPUC-COH-EBMUD REGIONAL WATER
SYSTEM INTERTIE PROJECT

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized to execute on behalf of the City of Hayward a joint powers agreement with EBMUD and SFPUC for operations and maintenance services for the Regional Water System Intertie Project in substantially the form of the agreement on file in the office of the City Clerk, as approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2003

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE AGREEMENT BETWEEN THE CITY OF
HAYWARD AND CAROLLO ENGINEERS FOR
PROFESSIONAL SERVICES TO PREPARE PLANS,
SPECIFICATIONS, AND CONSTRUCTION COST
ESTIMATES FOR THE REGIONAL WATER SYSTEM
INTERTIE PROJECT, PROJECT NOS. 7090 AND 7091

WHEREAS, by resolution numbers 03-_____ and 03-_____ the City Council of the City of Hayward authorized the City to enter into Joint Powers Agreements for design and construction and for maintenance and operations respectively, with SFPUC and EBMUD with respect to the project; and

WHEREAS, by resolution number 03-_____ the City Council approved the Mitigated Negative Declaration and Mitigated Monitoring and Reporting Program for the project, and

WHEREAS. By resolution number 03-_____ the City Council authorized appropriations in Fund 627 to Project Nos. 7090 and 7091, of \$1,100,000 contributed by SFPUC and EBMUD, and \$25,000 from the City of Hayward Water System Capitol Improvement Fund, Fund 622, to Project 7166.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to execute on behalf of the City of Hayward an agreement with Carollo Engineers for professional services to prepare plans, specifications, and construction cost estimates for the Regional Water System Intertie Project, Project Nos. 7090 and 7091, in an amount not to exceed \$1,100,000, in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2003

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AMENDING RESOLUTION 02-087, AS
AMENDED, THE BUDGET RESOLUTION FOR
CAPITAL IMPROVEMENT PROJECTS FOR FISCAL
YEAR 2002-03, RELATING TO APPROPRIATIONS OF
FUNDS FOR THE REGIONAL WATER SYSTEM
INTERTIE PROJECT, PROJECT NOS. 7090, 7091 & 7166

WHEREAS, the intertie project will be fully funded by the SFPUC and
EBMUD, except for the City's \$125,000 contribution; and

WHEREAS, EBMUD and SFPUC have agreed to deposit advance funds to
cover all but the City's contribution of \$125,000.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City
of Hayward that Resolution No. 02-087, as amended, the Budget Resolution for Capital
Projects for fiscal year 2002-03, is hereby amended by approving the following
appropriations:

1. \$1,100,000 in the new Regional Water Intertie Capital, Fund 627
for the Regional Water System Intertie Project, Project Nos. 7090
(\$1,050,000) and 7091 (\$50,000), upon receipt of the advance funds
from the SFPUC and EBMUD; and
2. \$25,000 from the Water System Capital Improvement Fund, Fund
622 to the Regional Water Intertie Project Administration, Project
No. 7166

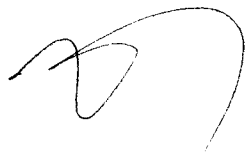
IN COUNCIL, HAYWARD, CALIFORNIA _____, 2003

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:



NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward